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Westly Reports California Schools in Fiscal Trouble

SACRAMENTO – State Controller Steve Westly today released a report that shows the financial health of California's 982 school districts and 58 county offices of education is in worse shape than in previous years.

"California ranks 8th from the bottom in per pupil spending and that's inexcusable," State Controller Steve Westly said. "Many districts are forced to engage in multi-year deficit spending while attendance rates shrink. This is proof that Governor Schwarzenegger must follow through on his promise to fully fund education."

According to the report, 552 districts overspent approximately \$682 million for FY 2003-04. In addition, auditors found that the number of school districts that overspent for more than one fiscal year increased from 248 districts in FY 2002-2003 to 339 districts in FY 2003-2004, a 36.7% increase. In Los Angeles County, 10 school districts engaged in deficit spending.

"These audit findings underscore what we in the education community have been saying throughout the budget process this year – our schools are not being funded adequately to provide the classroom programs and services our students deserve," State Superintendent of Public Instruction Jack O'Connell said.

"By merely maintaining the status quo in school funding, the governor's budget is making it harder, not easier, for schools to get ahead and provide the kind of programs that will improve student achievement. Our schools and districts are working hard to serve students. They should not be put on the brink of bankruptcy to provide the education California's students need," O'Connell continued.

"Today's report shows that over a third of California's school districts – including 10 districts in Los Angeles County – are spending more than they take in every year," said Assembly Speaker Fabian Núñez (D-Los Angeles). "This is unacceptable. We must find a way to catch up or our students will fall behind other states and even other countries."

The State Controller has broad authority to oversee state and federal funding of K-12 schools. The *Annual Financial Report of California K-12 Schools* covers the period of July 1, 2003 through June 30, 2004, and information from the 2004-2005 Interim Reports.

"Teachers work hard, kids give it their best shot, and parents want the best education for their children," said Controller Westly. "Our responsibility is to make sure we fully fund education."

If you would like to view the entire [Annual Financial Report of California K-12 Schools](#), please visit the [State Controller's Web site](#).

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